

THE REDEVELOPMENT COMMISSION OF THE CITY OF BLOOMINGTON, INDIANA met on Monday, February 4, 2013 at 5:00 p.m. in the Showers City Hall, McCloskey Room, 401 North Morton Street, with President David Walter presiding.

I. ROLL CALL

Commissioners Present: David Walter, Elizabeth Kehoe, Michael Gentile, Michael Szakaly, Kelly Smith and John West

Commissioner(s) Absent:

Staff Present: Lisa Abbott, Doris Sims, Bob Woolford, Marilyn Patterson and Janet Roberts

Other(s) Present: Barry Lesso, United Way; Barry Collins, COB Facilities Manager

Jason Carnes was introduced to the Commission as the City's new Assistant Director for the Economic Development Department.

II. READING OF THE MINUTES – Elizabeth Kehoe moved to approve the minutes for November 5, 2012; December 3, 2012; December 12, 2012. John West seconded the motion. The minutes were unanimously approved.

III. EXAMINATION OF CLAIMS. Michael Gentile moved to approve the claims for December 7, 2012 for \$502,950.54; December 21, 2012 for \$1,188,692.12; December 28, 2012 for \$579,483.91; January 18, 2013 for \$1,303,837.58. Michael Szakaly seconded the motion. The claims were unanimously approved.

IV. REPORT OF OFFICERS AND COMMITTEES

A. Director's Report. Abbott reported the CDBG allocation recommendations are on the agenda for approval tonight by the Commission. The recommendations then go to the Mayor then the City Council for approval on February 6th, 13th and 20th. The BUEA and the Economic Development Departments are working on an abatement agreement for the Springhill Suites Hotel application located in a TIF district.

The Annual Action Plan for HUD has been posted for public comment.

She also informed them that she would be at the State House regarding House Bill 1313 which is a bill proposal to make rental inspection programs unenforceable at the local level. This means there will be no rental inspections.

B. Budget Summary Report.

V. UNFINISHED BUSINESS. None.

VI. NEW BUSINESS

A. RESOLUTION 13-02: Approval of Funding Agreement with BUEA for EZID Participation Fees. Sims explained in December the Commission discussed an increase in the EZID deduction. The resolution is an agreement between the RDC and the UEA for an increase in the EZID deduction. She explained the EZID is an Enterprise Zone Investment Deduction which allows for businesses in the zone to be able to take a deduction on the increase in assessed value for new structures or rehabs for a 10 year period which is similar to tax abatement. Any EZID granted which is in a TIF would not go to the TIF because EZID uses the same property assessed value as the TIF for the deduction.

Currently the BUEA receives 20% of the tax savings of the business that takes the EZID deduction and also pay 1% to the State of Indiana. This resolution increases that deduction from 20% to 28% for any business that's located not only in a BUEA area but also in a TIF area. The total increase would be 29% to the UEA, 1% to the State and 9% to the RDC, but only for any type of EZID deduction that is located in the TIF any EZID deduction outside of the TIF would be 20% for that business. Sims stated in order to increase the EZID deduction; it still must go to the City Council for approval in March.

Abbott displayed a map showing the overlapping incentive districts to give the Commissioners an idea of what areas are involved.

Gentile asked why this request is a good idea. Alano-Martin stated the enterprise investment deduction is essentially tax abatement and the TIF recoups property tax increment where they are able to reinvest property taxes into each district. The EZID is 100% abatement so there is no incremental growth; it basically becomes savings to the company with the exception of the fees paid to the zone and the State. There are no revenues coming in to the RDC's TIF funds. That's different from the City tax abatements because those are generally a phase in of property taxes. After year one, the TIF starts to see revenue from new projects; you don't see that from new projects that apply for the EZID. This is a way for the TIF to still be a valuable incentive for redevelopment, but to still provide some revenue to the TIFs so they can continue to do projects.

Abbott said they are asking the Commission to approve the agreement that states the Commission will accept the money that the UEA is willing to give the RDC.

Sims stated the EZID is good for ten years – it's a 100% tax deduction on the assessed value. West said all of the increased assessed value from the baseline then up to whatever improvements they made and then reassessed so 100% of that assessed value increase is a deduction. Alano-Martin said that is correct.

Szakaly asked if the participation fee is a one time expense. Sims said it is a yearly fee.

Abbott said this is still a good deal for the EZID, this recoups some money for projects the RDC would like to do.

West asked the downside. Sims said there is no downside to the RDC. West said he could see the BUEA not wanting to sign the agreement because it doesn't necessarily improve the incentive to the applicant. Alano-Martin said there was discussion about that, but in comparison to the tax abatement the City offers it's a much better incentive.

Abbott said the UEA's mission is to approve the quality of life in this particular area and the projects that get done meet that mission.

Sims said it is projects moving forward and any project including the ones currently in the TIF that has received the EZID deduction are required to go to City Council to get approval before they are granted the EZID deduction. Even if the Council approves the additional 9%, each individual project has to go through Council for approval. She also stated once it's approved, it's approved for ten years. They must file for the deduction every year in order to receive it.

Abbott stated they are asking the Commissioners to approve the agreement.

Sims said they will not realize any generated revenues until probably 2015 because taxes are paid in arrears. The deduction is filed with the County Auditor, not the City. Sims said she will bill for the revenue each year by June 1.

John West moved to approve the Resolution. Michael Szakaly seconded the motion. Resolution 13-02 was unanimously approved. **ADOPTED.**

B. RESOLUTION 13-03: Approval of Bid for Roof Replacement for the IU Press Building.

Collins stated they put out bids for the roofing and masonry work and received one quote for each. Steve's Roofing responded with a quote of \$115,100 and Umphress Masonry responded with a quote of \$58,946. Those were the only two bids for each portion of the project. Collins discussed the projects in depth at the pre-bid meetings and is confident they are good bids. Steve's Roofing and Umphress masonry were the lowest responsive and responsible quotes for their respective bids.

West asked why Collins thought they received only one bid for each project. Collins said they are required to invite at least three bids for the contracts. They then evaluate the bid(s) they receive, but he has no idea why there were not more responses.

Szakaly asked the source of the funding. Abbott said the funding is from the Downtown TIF bond proceeds which was approved in Resolution 12-11 for \$200,000.

Szakaly asked that the resolution be amended to reflect that the funding for this project is from the Downtown TIF proceeds and was approved in Resolution 12-11 for \$200,000.

Michael Szakaly moved to approve the Resolution as amended. Elizabeth Kehoe seconded the motion. Resolution 13-03 was unanimously approved as amended. **ADOPTED.**

PUBLIC HEARING

Walter asked if there was anyone in attendance who wished to comment on the allocations. Barry Lesso stated the modified HAND HMAL program makes sense in that it allows for more agencies to participate and provide services to more clients. He appreciates the fact that the City is looking for ways to provide services with the decreasing funding dollars. He stated allocating dollars is difficult and he appreciates the HAND allocating process.

C. RESOLUTION 13-04: Approval of the 2013 CDBG Allocations. Abbott reminded the Commissioners that they finished the allocation process in January. She explained there isn't as yet a firm dollar figure for the allocation for 2013 – the approximate funding amount is \$743,700. The Physical Improvements allocation is \$520,805, Social Services is \$118,000 and Administration is \$148,740.

Patterson stated that five agencies were granted funds by the CAC as follows: Emergency Needs-Community Kitchen; Hoosier Hills Food Bank; Middle Way House Emergency Services; Non-Emergency Needs-MCUM Child Care; Boys/Girls Club at Crestmont. She stated that the committee agreed based on funding that they would fund five agencies.

Woolford explained the Home Modification for Accessible Living has been modified to include agencies besides just Abilities. Abilities was the one agency that did not receive funding. Staff hopes the modified HMAL program will increase the number of clients by increasing the number of agencies.

Walter commented on the approved requests and noted the Rockport Road Reconstruction as the largest project and is pleased about the proposed improvements such as road improvements and walking paths.

Szakaly asked if there is a plan in place in case the funding amount changes. Patterson said if the funding is decreased, the Social Services agencies are reduced by equal percentages. If there is increased funding, they will add more money to the two agencies that did not initially receive \$25,000.

Woolford stated if the Physical Improvement's funding is increased, it will go entirely to Rockport Road. If they receive less funding, Middle Way will stay the same and the other agencies will be decreased by equal percentages.

Michael Szakaly moved to approve the Resolution. Michael Gentile seconded the motion. Resolution 13-04 was unanimously approved. **ADOPTED.**

D. RESOLUTION 13-05: Approval of Amendment to the 2012 CDBG Annual Action Plan. Abbott explained that the Department had some projects that didn't use their entire allocation so staff decided to amend the Annual Action Plan in order to further fund two eligible activities—Rockport Road and the Home Modification for Accessible Living HMAL program. She explained HMAL was expanded to include additional agencies in order to assist more clients; the program remains basically the same. Abbott is asking the Commissioners to approve the amendment to fund these two activities. She noted they will continue taking comments from the public until February 18. The amendment will then be sent to HUD for approval. Once approval is received, they will start working on these activities.

West asked where the \$300,000 gets the City toward the total cost of the Rockport Road project. Woolford said the Public Works application for the project calls for \$990,000 and they are asking Hand for \$620,000. This gets them closer to the needed amount. The Parks portion will be a little less than anticipated.

Abbott said it's important to have projects completed so they want to give Parks enough to make that happen. Walter noted the money is available now so the project will be completed more quickly.

West asked what activities were done by the HMAL program. Abbott explained they did such items as assessable doorways, ramps and bathroom modifications for handicapped assessability. It's an ongoing project. The only change is the addition of agencies -- other than that it will run as it always has.

Smith asked if by adding more agencies, does that enable different people to do the work that is requested. Abbott said no. She explained that applications were getting a little bogged down when there was only one agency to process them, so clients were not always getting the needed services. Staff decided to have more agency partners able to make application directly to HAND. She stated Abilities will still be able to make application to HAND, but so will the other agencies. She said the program will remain the same.

West asked what the available funding will be without the additional \$30,000 request in this resolution. Abbott said these additional projects can't go on the books unless they have been approved by HUD. This would then prevent staff from processing applications with any agencies besides Abilities unless this request is approved. Abilities still has funding available to use from funding they received in 2010.

John West moved to approve the Resolution. Michael Gentile seconded the motion. Resolution 13-05 was unanimously approved. **ADOPTED.**

The public portion of the meeting was closed.

Resumption of Regular Meeting.

VII. BUSINESS/GENERAL DISCUSSION.

A. Tech Park Update. Alano-Martin stated there were three well attended focus groups last month. She said they received good information from the various groups. She also noted that the consultants are looking at infrastructure recommendations.

Alano-Martin said IU asked if the City would be interested in extending the lease for the Food Services Building for May and June. Alano-Martin said perhaps they could use space in the Dimension Mill because the Food Services building is coming down soon. The Commissioners are concerned about the advisability of renting them space since the City is currently using the space for storage. The Commissioners were concerned about tying up the space at this point.

B. Invoice for HFI for a Building in the CTP. Abbott said the Commissioners approved a resolution allowing Collins to spend up to \$5,000 for maintenance and repairs per instance for the CTP properties. She said the current request exceeds the \$5,000 but not the \$50,000 maintenance allowable figure. Legal informed Abbott that the Commission must approve the invoice or deny. This invoice can be paid under Resolution 11-36.

Collins explained these invoices were for boiler inspections in various buildings in the CTP. Collins explained the HFI invoice total for boiler inspections is \$7,723.44, but is made up of individual invoices. The repairs were for five boiler inspections located in three building in the CTP. Abbott said the invoices cover multiple buildings located in the CTP.

Michael Gentile moved to approve the request. Michael Szakaly seconded the motion. The motion was unanimously approved.

Michael Gentile moved to approve the request. Michael Szakaly seconded the motion. The motion was unanimously approved.

C. Listing Contract for Evergreen. Patterson stated the contract for the Evergreen house needs to be renewed. The request is for the contract to be extended until June.

John West moved to extend the contract for the Evergreen house and for Lisa Abbott to be authorized to sign for the RDC. Michael Gentile seconded the motion. The motion was unanimously approved.

VIII. ADJOURNMENT

It was moved and seconded to adjourn the meeting.

David Walter, President

Michael Gentile, Secretary

Date